

Message Text

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SUBJ: U.S. BUSINESS VISITORS IN JUNE

REF: PEKING 1030

SUMMARY AND INTRODUCTION: DESPITE THE USUAL DROP IN BUSINESS VISITORS IN THE MONTH FOLLOWING THE CONCLUSION OF A CANTON TRADE FAIR, A NUMBER OF FIRMS EITHER VISITED PEKING OR CONCLUDED BUSINESS BEGUN HERE IN MAY. ICC PRESIDENT FARBER RETURNED TO CHINA TO AMINICABLY RESOLVE A DISPUTE OVER A \$1.4 MILLION CHEMICAL CONTRACT SIGNED AT THE SPRING FAIR. WESTERN UNION INTERNATIONAL PRESIDENT HAD DISCUSSIONS CONCERNING HIS FIRM'S SATELLITE GROUND STATIONS. AN ATTORNEY FROM HASELTPMU, LAKE AND WINTERS MBP WITH CCPIT CONCERNING POSSIBLE RECIPROCAL FILING OF TRADEMARK REGISTRATIONS.

COMPLETING BUSINESS BEGUN EARLIER, C.J. WANG WHO REPRESENTED WABECO, CUMMINS ENGINE AND OTHER CLIENTS LEFT PEKING AFTER A SUCCESSFUL VISIT. BAKER TRADING AND BYRON JACKSON COMPANY REPRESENTATIVES ALSO DEPARTED AFTER COMPLETING THE FIRST STAGE OF NEGOTIATIONS ON THE

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SALE OF OIL FIELD EQUIPMENT. IN ADDITION, UNION CAR-

BIDE AND A NUMBER OF IMPORT FIRMS ARRIVED FOR THEIR FIRST VISITS TO PEKING. END SUMMARY AND INTRODUCTION.

1. REPRESENTATIVES OF THE FOLLOWING U.S. FIRMS VISITED PEKING IN JUNE:

2. ICC INDUSTRIES, INC.- PRESIDENT JOHN FARBER VISITED PEKING FROM JUNE 29-JULY 1 TO RESOLVE A DISPUTE OVER A CONTRACT SIGNED AT THE 1975 SPRING CANTON TRADE FAIR (PEKING 1018). EARLY IN THE FAIR, ICC PURCHASED 200 TONS OF FURFURAL AT \$1,475 PER TON, BUT ITS REPRESENTATIVES CLAIMED THAT LATER HE HAD BEEN FORCED TO BUY AN ADDITIONAL 1200 TONS AT AN UNREASONABLY HIGH PRICE. THE FIRM SAID IT WOULD NOT ACCEPT THE FIRST 200 TONS UNLESS THE SECOND CONTRACT WAS CANCELLED.

3. AFTER A MORNING OF "EXTREMELY CORDIAL" DISCUSSION WITH THE CHINA NATIONAL CHEMICAL CORPORATION, FARBER AGREED TO ACCEPT THE ADDITIONAL AMOUNT AT THE WORLD MARKET PRICE OF \$900 PER TON AND PLACED \$100,000 IN NEW ORDERS FOR TWO PHARMACEUTICALS. THE FURFURAL WILL BE SHIPPED TO ROTTERDAM AND LITTLE, IF ANY, WILL ENTER THE U.S. ACCORDING TO FARBER, A DIFFERENCE OF \$150 PER TON BETWEEN, CHINESE QUOTES FOR C&F ROTTERDAM AND C&F NEW YORK MAKES IT MORE ECONOMICAL FOR THE MATERIAL TO BE SENT TO EUROPE AND, IF NEEDED, TRANSHIPPED LATER TO THE U.S. ICC'S TOTAL PURCHASES FROM CHINA HAVE NOW REACHED \$2.5 MILLION AND FARBER SAYS HE EXPECTS TO CONTINUE TO EXPAND HIS BUSINESS WITH THE PRC.

4. BAKER TRADING AND BYRON JACKSON-BAKER TRADING COMPANY'S JAY PACE AND TWO ASSOCIATES FROM THE BYRON JACKSON COMPANY, J.T. STREGER AND BOB MICKELJOHN, DEPARTED PEKING JUNE 25 AFTER COMPLETING THE FIRST STAGE IN THEIR NEGOTIATIONS WITH THE CHINA NATIONAL TECHNICAL IMPORT CORPORATION (TECHIMPORT). THEY NOW PLAN TO PREPARE DETAILED PROPOSALS ON THE SALE OF OIL WELL STIMULATION EQUIPMENT AND TECHNOLOGY WHICH THEY WILL PRESENT TO TECHIMPORT, IN AUGUST. NO SALES HAVE YET BEEN CONCLUDED, BUT NEGOTIATIONS HAVE GONE SMOOTHLY AND PACE IS HOPEFUL THAT ONE OR MORE CONTRACTS

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WILL BE CONCLUDED THIS FALL. DURING HIS MONTH-LONG STAY IN PEKING, PACE ALSO MET WITH THE CHINA NATIONAL MACHINERY CORPORATION FOR PRELIMINARY DISCUSSIONS ON THE SALE OF OFF-SHORE OIL DRILLING RIGS.

5. UNION CARBIDE CORPORATION (UC). VICE-PRESIDENT JAMES RAWLINGS AND TWO ASSOCIATES FROM UC'S MINING AND METALS DIVISION LEFT PEKING JUNE 6 AFTER A FRUSTRATING

WEEK OF NEGOTIATIONS WITH THE CHINA NATIONAL METALS AND MINERALS CORPORATION. UC PURCHASED A "TOKEN QUANTITY" OF TUNGSTEN AT THE 1975 SPRING CANTON FAIR AND HAD HOPED TO BUY ADDITIONAL 1,200 TONS (\$8-10 MILLION) IN PEKING. MINMETALS AGREED TO MAKE THIS RATHER LARGE AMOUNT AVAILABLE FOR JULY 1975 SHIPMENT, BUT A PRICE WHICH UC CONSIDERED UNREASONABLE UNDER CURRENT MARKET CONDITIONS. WHEN RAWLINGS COUNTERED BY OFFERING TO PAY THE HIGH PRICE FOR DELIVERY BEGINNING JANUARY 1976, THE CHINESE REFUSED SAYING THEY WANTED THE BUSINESS TO BE CONCLUDED THIS YEAR. BOTH SIDES REMAINED FAR APART PRIOR TO THEIR FINAL MEETING AND IT IS DOUBTFUL ANY BUSINESS WAS CONCLUDED.

6. WESTERN UNION INTERNATIONAL. - EDWARD GALLAGHER, PRESIDENT OF WUI, VISITED PEKING AND SHANGHAI JUNE 18-27 AND HELD TALKS WITH THE MINISTRY OF COMMUNICATIONS AND MACHIMPEX ON THE SATELLITE GROUND STATIONS INSTALLED BY WUI. GALLAGHER RECEIVED VIP TREATMENT AND CONSIDERED HIS VISIT A SUCCESSFUL ONE.

7. HASELTINE, LAKE AND WINTERS, INTERNATIONAL PATENT AND TRADE MARK AGENTS. - ERIC OFFNER, AN ATTORNEY WITH THIS FIRM, VISITED PEKING JUNE 14-19 TO LOOK INTO THE POSSIBILITIES OF RECIPROCAL FILING OF TRADEMARKS IN THE PRC AND THE US. ALTHOUGH CCPIT AND THE FOREIGN TRADE CORPORATIONS SHOWED GREAT INTEREST IN OFFNER'S EXPOSITION OF US TRADE MARK LAW, THEY INFORMED HIM THAT AMERICAN CORPORATIONS OR INDIVIDUALS WILL NOT BE PERMITTED TO FILE IN THE PRC.

8. SCIENTIFIC DESIGN COMPANY, INC.- THIS U.S. FIRM HAS RESPONSIBILITY FOR SOME OF THE TECHNOLOGY WHICH WILL BE LIMITED OFFICIAL USE

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USED IN A POLYESTER PLANT CURRENTLY BEING BUILT BY A JAPANESE FIRM NEAR PEKING. REPRESENTATIVE RUDOLPH PEGORARO TOLD A USLO OFFICER HE HAS BEEN TO CHINA SEVERAL TIMES IN RECENT MONTHS BUT THIS IS THE FIRST CONTACT WE HAVE HAD WITH HIS COMPANY.

9. VIKING IMPORTRADE, INC. - AFTER ATTENDING THE SPRING CANTON FAIR, HARRY KLEIN, VICE PRESIDENT OF THIS NEW YORK FIRM, RETURNED TO PEKING ACCCOMPANIED BY DAVID MUSTER (FORMERLY OF E. YUEN CO.) AT THE INVITATION OF THE CHINA NATIONAL LIGHT INDUSTRIAL CORPORATION. VIKING HOPES TO EXPAND ITS IMPORTS FROM CHINA (PREVIOUSLY GIFTWARE) TO INCLUDE STRAW TOTE BAGS AND HIRED MUSTER BECAUSE OF HIS EXPERTISE IN THAT LINE. AFTER A BRIEF STAY IN PEKING, THE MEN VISITED BRANCH CORPORATIONS AND FACTORIES IN TIENT-

SIN, TSINGTAO AND SHANGHAI.

10. WABECO AND CUMMINS. - C.J. WANG, WHO REPRESENTED SEVERAL FIRMS IN CANTON AND PEKING, LEFT PEKING THE MIDDLE OF JUNE AFTER A SUCCESSFUL VISIT FOR SEVERAL OF HIS CLIENTS (REFTEL).

11. GREAT WAY COMPANY. AMIN E. ADJMI OF THIS NEW YORK IMPORT FIRM ARRIVED IN PEKING UNANNOUNCED AND SPENT A NIGHT AT THE AIRPORT BEFORE NOTIFYING USLO WHICH HELPED HIM CONTACT HIS HOSTS FROM THE CHINA NATIONAL TEXTILE CORPORATION. A SPECIALIST IN STRAW HATS AND HANDBAGS, ADJMI ALSO HOPES TO DO BUSINESS WITH THE LIGHT INDUSTRIAL CORPORATION.

12. GOLD BROTHERS. - MR. ANZUMRS. GOLD AND THEIR NEPHEY VISITED PEKING AND SHANGHAI FROM JUNE 8-16 TO BUY JEWELRY FROM THE LIGHT INDUSTRIAL CORPORATION. AFTER THE FIRST FEW DAYS IN PEKING THEY SEEMED UNENTHUSIASTIC AND PROBABLY DID LITTLE BUSINESS DURING THEIR VISIT TO EITHER CITY.

13. MAST, INC. MARTIN TRUST AND HIS WIFSGN BOTH OF THE FIRM, VISITED PEKING FOR A FEW DAYS TO PURCHASE HANDICRAFTS.

14. THIS CABLE CONTAINS SENSITIVE COMMERCIAL INFORMATION
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